NABARD has provided refinance support to an extent of Rs. 1.15 crores to KSCB and Rs. 29.09 crores to KSCARDB during the current financial year until 31st July, 1997.

Full Convertibility of Rupee

579. SHRI RANJIB BISWAL : Will the Minister of FINANCE be pleased to state;

(a) whether the Government have taken steps in the direction of full convertibility of rupee;

(b) if so, the details thereof and the main objectives thereof;

(c) whether the convertibility of rupee will help in achieving satisfactory growth rate of our economy and will be able to attract foreign investment in the long run; and

(d) if not, the reasons for restoring to this measure?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (c) The rupee was made convertible on current account in August 1994. A Committee headed by Shri S.S. Trapore on capital account convertibility appointed by the Reserve Bank of India had submitted its report on May 30, 1997. Its recommendations are under examination. RBI has decided to act on some of the recommendations. These include relaxations for exchange earners, in respect of retention of exchange earnings, to Indian project exporters in respect of prior approval from RBI while executing projects abroad, to authorised dealers in respect of forfaiting of medium term export receivables. The relaxation has also been accorded to corporate entities for opening offices abroad without need for prior approval from RBI, banks for providing credit/non-credit facilities to Joint Ventures (JVs)/wholly owned subsidiaries abroad. Banks will also be allowed to provide at their discretion, buyers credit/ acceptance finance for facilitating exports of goods and services from India. Indian funds managers including mutual funds registered with SEBI will be allowed to invest in the overseas market subject to SEBI guidelines. Government has already announced that loans for period with average maturity of ten years and above will be outside the ECB ceiling. Some of the recommendations which have been partly implemented relate to borrowings/investments in the overseas markets by the authorised dealers/banks, forward cover for NRIs and gold imports by banks. Full convertibility is expected to promote free flow of foreign capital supplement domestic savings and lead to higher economic growth.

(b) Does not arise.

Vysya Bank Limited

580. SHRI I.D. SWAMi : Will the Minister of FINANCE be pleased to state:

(a) the number of agricultural/rural branches opened in the country by the Vysya Bank Ltd. as per norms laid down by RBI;

(b) whether these branches are working as per the RBI directions;

(c) number of loans given by the bank through such branches during the last three years giving the details of amount thereof; and

(d) the amount lost by the bank as bad debt during the last three years in these branches giving the reasons for the non-recovery of loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) Reserve Bank of India (RBI) have reported that Vysya Bank Limited has not opened any specialised agricultural financial branches. However, the bank's rural branches number is 114 as on 30.6.97.

(b) to (d) The information is being collected and will be laid on the Table of the House.

Collaboration with Germany

581. SHRI SULTAN SALAHUDDIN OWAISI : Will the Minister of INDUSTRY be pleased to state:

(a) the number of projects set up in the country in collaboration with Germany, sector-wise, State-wise;

(b) the total foreign investment made therein;

(c) whether some new projects proposed to be set up by the Government in collaboration with Germany during 1997–98; and

(d) if so, the details thereof alongwith the number of projects approved so far project-wise?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (d) Sir, a total number of 1391 foreign direct investment proposals (Financial and Technical) envisaging foreign direct investment of Rs. 5232.97 crores from Germany have been cleared by the Government during the period from 1.8.91 to 30.9.97. The statements showing sector-wise and state-wise break-up of such proposals are given in the Statement—I and II.

The details of such proposal viz. name of the Indian company, name and country of the Foreign Collaborator, equity investment involved, item of manufacture/activity are published by Indian Investment centre as a supplement to the Monthly Newsletter and copies of these are regularly supplied to the Parliament Library.